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January 10, 2014

Honorable Burton R. Lifland
United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, NY 10004-1408

Re: *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Secs. LLC*, Case No. 08-01789
(BRL); Claim No. 000458

Dear Judge Lifland:

We are counsel to Irving H. Picard, Trustee for the substantively consolidated liquidation proceedings of Bernard L. Madoff Investment Securities LLC ("BLMIS") and Bernard L. Madoff under the Securities Investor Protection Act, 15 U.S.C. § 78aaa *et seq.* ("SIPA"). We write in response to the January 7, 2014 letter of Laurence E. Leif seeking the replacement of Judge Melanie L. Cyganowski as the mediator with regard to the Trustee's disputes with Mr. Leif pursuant to her appointment by this Court. See Order Directing Mediation and Appointing Mediator, *Sec. Inv. Prot. Corp. v. Bernard L. Madoff Inv. Secs. LLC*, No. 08-01789 (BRL) (Bankr. S.D.N.Y. entered Oct. 21, 2013) [Dkt. #5549]; Order Directing Mediation and Appointing Mediator, *Picard v. Leif*, Adv. Pro. No. 10-04601 (BRL) (Bankr. S.D.N.Y. entered Oct. 21, 2013) [Dkt. #22] (the "Mediation Referral Order").

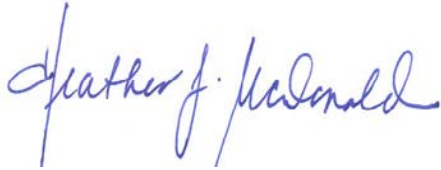
We decline to respond to the statements Mr. Leif has made in his letter regarding the parties' interactions in the context of the Mediation Referral Order other than to say that the Trustee disputes such statements. Nevertheless, we would like to address Mr. Leif's position in his letter regarding the May 06, 2011 Fox Business News segment in which he and Judge Cyganowski participated (available at <http://video.foxbusiness.com/v/3884749/madoff-victims-want-answers/>).

We have reviewed this video segment and we believe that nothing contained therein warrants Judge Cyganowski's disqualification as mediator in this matter. However, the Trustee will defer to any determination by this Court as to Judge Cyganowski's

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suitability for her appointment.

Sincerely,

A handwritten signature in blue ink, reading "Heather J. McDonald". The signature is written in a cursive style with a large initial 'H' and a long, sweeping underline.

Heather J. McDonald

cc: Matthew A. Kupillas, Esq.
Laurence E. Leif